

SB1562



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1562

Introduced 2/19/2009, by Sen. Jacqueline Y. Collins - Don Harmon - Carole Pankau - William Delgado - John J. Millner

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the percentage of the earned income tax credit from 5% of the federal tax credit to 7.5% in 2009 and 10% in 2010 and thereafter. Effective immediately.

LRB096 04680 RCE 14741 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to the following:

13 (1) for each taxable year beginning on or after January
14 1, 2000 and ending before or during calendar year 2008, the
15 amount of the credit is 5% of the federal tax credit;

16 (2) for each taxable year ending during calendar year
17 2009, the amount of the credit is 7.5% of the federal tax
18 credit; and

19 (3) for each taxable year ending during calendar year
20 2010 and thereafter, the amount of the credit is 10% of the
21 federal tax credit. ~~5% of the federal tax credit for each~~
22 ~~taxable year beginning on or after January 1, 2000.~~

23 For a non-resident or part-year resident, the amount of the

1 credit under this Section shall be in proportion to the amount
2 of income attributable to this State.

3 (b) For taxable years beginning before January 1, 2003, in
4 no event shall a credit under this Section reduce the
5 taxpayer's liability to less than zero. For each taxable year
6 beginning on or after January 1, 2003, if the amount of the
7 credit exceeds the income tax liability for the applicable tax
8 year, then the excess credit shall be refunded to the taxpayer.
9 The amount of a refund shall not be included in the taxpayer's
10 income or resources for the purposes of determining eligibility
11 or benefit level in any means-tested benefit program
12 administered by a governmental entity unless required by
13 federal law.

14 (c) This Section is exempt from the provisions of Section
15 250.

16 (Source: P.A. 95-333, eff. 8-21-07.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.